

**Judge Hollerstein**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :

- v. - :

PAULO RICARDO DEBARROS CABRAL, :

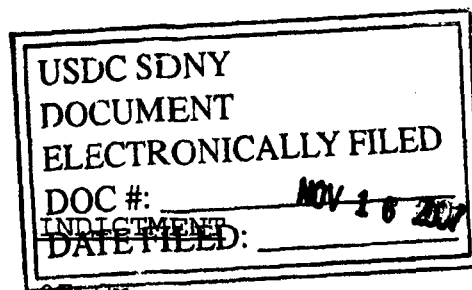
a/k/a "Hans Schmidt,"

a/k/a "Victor Schmidt,"

a/k/a "Paulo Barros,"

Defendant. :

- - - - - x



**07 CRIM1053**

**H18-1632M**

COUNT ONE

The Grand Jury charges:

1. From in or about January 2006 up to and including in or about July 2006, in the Southern District of New York and elsewhere, PAULO RICARDO DEBARROS CABRAL, a/k/a "Hans Schmidt," a/k/a/ "Victor Schmidt," a/k/a "Paulo Barros," the defendant, unlawfully, willfully, and knowingly, did execute and attempt to execute a scheme and artifice to defraud financial institutions, the deposits of which were insured by the Federal Deposit Insurance Corporation, to wit, Commerce Bank and Washington Mutual, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institutions, by means of false and fraudulent pretenses, representations, and promises, to wit, CABRAL made cash withdrawals from his checking accounts at Commerce Bank and Washington Mutual after fraudulently depositing into his account

credit card convenience checks belonging to other individuals without authorization.

(Title 18, United States Code, Sections 1344 and 2.)

FORFEITURE ALLEGATION AS TO COUNT ONE

2. As a result of committing the offense alleged in Count One of this Indictment, PAULO RICARDO DEBARROS CABRAL, a/k/a "Hans Schmidt," a/k/a/ "Victor Schmidt," a/k/a "Paulo Barros," the defendant, shall forfeit to the United States pursuant to 18 U.S.C. § 982, any property constituting or derived from proceeds obtained directly or indirectly as a result of the bank fraud offense.

Substitute Asset Provision

3. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

(1) cannot be located upon the exercise of due diligence;

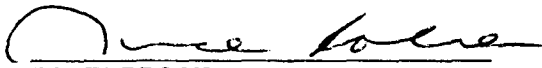
(2) has been transferred or sold to, or deposited with, a third person;

(3) has been placed beyond the jurisdiction of the Court;

(4) has been substantially diminished in value; or

(5) has been commingled with other property which cannot be subdivided without difficulty; it is the intent of the United States, pursuant to 18 U.S.C. § 982(b), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 982 and  
Title 18, United States Code, Section 1344.)

  
FOREPERSON

  
MICHAEL J. GARCIA  
United States Attorney

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- v. -

PAULO RICARDO DEBARROS CABRAL,  
a/k/a "Hans Schmidt,"  
a/k/a "Victor Schmidt,"  
a/k/a "Paulo Barros,"

Defendant.

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INDICTMENT

07 Cr.

(18 U.S.C. §§ 1344 and 2)

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MICHAEL J. GARCIA  
United States Attorney.

A TRUE BILL

  
Foreperson.

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*Nov. 16, 2007*  
*Indictment filed. A/w issued.*  
*Case assigned to Judge Hellerstein.*  
*Freeman, US m J*

## WARRANT FOR ARREST

United States District Court		DISTRICT	
		SOUTHERN DISTRICT OF NEW YORK	
UNITED STATES OF AMERICA		NO. 06	1456
PAULO CABRAL a/k/a "Hans Schmidt," a/k/a "Victor Schmidt," a/k/a "Paulo Barros"		NAME AND ADDRESS OF INDIVIDUAL TO BE ARRESTED PAULO CABRAL a/k/a "Hans Schmidt," a/k/a "Victor Schmidt," a/k/a "Paulo Barros"	
WARRANT ISSUED ON THE BASIS OF <input type="checkbox"/> Order of Court <input type="checkbox"/> Indictment <input type="checkbox"/> Information <input checked="" type="checkbox"/> Complaint		DISTRICT OF ARREST NEW YORK	
TO ANY AUTHORIZED FEDERAL LAW ENFORCEMENT OFFICER		NEW YORK	
YOU ARE HEREBY COMMANDED to arrest the above-named person and bring that person before the United States District Court to answer to the charge(s) listed below			
DESCRIPTION OF CHARGES			
BANK FRAUD			
IN VIOLATION OF	UNITED STATES CODE TITLE 18	SECTIONS § 1344	
DATE	OTHER CONDITIONS OF RELEASE		
SUBSCRIBED BY <b>Debra Freeman</b> <b>United States Magistrate Judge</b> <b>Southern District of New York</b>	SIGNED BY <b>Debra Freeman</b> CLERK		DATE <b>OCT 13 2006</b>
RETURN			
THIS WARRANT WAS RECEIVED AND EXECUTED WITH THE ARREST OF THE ABOVE-NAMED PERSON			
DATE RECEIVED	NAME AND TITLE OF ARRESTING OFFICER	SIGNATURE OF ARRESTING OFFICER	
DATE EXECUTED			

Note: The arresting officer is directed to serve the attached copy of the charge on the defendant at the time this warrant is executed.

06 MAG 1456

Approved: Reel

RUA M. KELLY  
Assistant United States Attorney

Before: HONORABLE DEBRA C. FREEMAN  
United States Magistrate Judge  
Southern District of New York

-----x  
UNITED STATES OF AMERICA,

- v. -

PAULO RICARDO DEBARROS CABRAL,  
a/k/a "Hans Schmidt,"  
a/k/a "Victor Schmidt,"  
a/k/a "Paulo Barros,"

Defendant.  
-----x

COMPLAINT

Violation of  
18 U.S.C. §§  
1344 & 2

COUNTY OF OFFENSE:  
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

CLAUDEL L. CHERY, being duly sworn, deposes and says  
that he is a Postal Inspector with the United States Postal  
Inspection Service, and charges as follows:

COUNT ONE

From in or about January 2006 to in or about July 2006,  
in the Southern District of New York and elsewhere, PAULO RICARDO  
DEBARROS CABRAL, a/k/a "Hans Schmidt," a/k/a "Victor Schmidt,"  
a/k/a "Paulo Barros," the defendant, unlawfully, wilfully and  
knowingly, did execute and attempt to execute a scheme and  
artifice to defraud financial institutions and obtain the moneys,  
funds, credits, assets, securities, and other property under the  
custody and control of financial institutions, the deposits of  
which were then insured by the Federal Deposit Insurance  
Corporation, to wit, Commerce Bank and Washington Mutual, by  
means of false and fraudulent pretenses, representations, and  
promises, to wit, CABRAL made cash withdrawals from his checking  
accounts at Commerce Bank and Washington Mutual after  
fraudulently depositing credit card convenience checks belonging  
to other individuals without any authorization.

(Title 18, United States Code, Sections 1344 and 2.)

The bases for my knowledge and for the foregoing charges, are, in part, as follows:

1. I am a Postal Inspector with the United States Postal Inspection Service, and I have been involved in the investigation of the above-described offenses. I am familiar with the facts and circumstances set forth below from my personal participation in the investigation, including my review of pertinent documents, and from my conversations with fellow agents and other witnesses. Because this affidavit is submitted for the limited purpose of demonstrating probable cause, I have not included details of every aspect of the investigation. Where I relate statements, conversations, and actions of others, those statements, conversations, and actions are related in substance and in part, except where otherwise indicated.

2. I have spoken with representatives of several banks, including but not limited to Commerce Bank and Washington Mutual. In addition, I have reviewed documents provided by the above-named banks, and spoken with witnesses whose names I learned through reviewing these documents and speaking with representatives of these banks. Based on those conversations and documents, I have learned that:

a. In or about May 2006, the United Postal Inspection Service was contacted by Commerce Bank regarding the recent deposit of several credit card convenience checks worth approximately \$36,600 that had been reported stolen by, *inter alia*, Capital One and Bank of America. According to Commerce Bank records, in or about March 2006, the stolen checks had been deposited into the Commerce Bank checking account of "Paulo R. Cabral." The funds were immediately withdrawn from the account at various banks and ATMs located throughout Manhattan.

b. After reviewing Commerce Bank records, including surveillance photographs, suspicious activity reports, and account opening documents for "Paulo R. Cabral", I was able to ascertain that "Paulo R. Cabral" also maintained a checking account at Washington Mutual. I then learned from investigators at Washington Mutual that in or about June 2006, several stolen credit card convenience checks were deposited into the Washington Mutual checking account of "Paulo R. Cabral", and the funds immediately withdrawn from the account.

3. In or about September 2006, I spoke with the landlord for the apartment building located at 304 East 81<sup>st</sup> Street in Manhattan. My investigation had revealed that this building was the listed residence of one of the individuals

("Victim 1") whose credit card convenience checks were stolen and deposited into the accounts of "Paulo R. Cabral". The superintendent reported that Victim 1 had moved out several months earlier, and the property management company informed USPIS that the new tenant of Victim 1's old apartment was named "Paulo Cabral".

4. On or about September 29, 2006, I knocked on the door of the apartment located at 304 East 81<sup>st</sup> Street in Manhattan where PAULO RICARDO DEBARROS CABRAL, a/k/a "Hans Schmidt," a/k/a "Victor Schmidt," a/k/a "Paulo Barros," the defendant, was believed to reside. When the door opened, I immediately recognized the male who opened the door as the individual on the surveillance video from Commerce Bank that I had reviewed. The male identified himself as "Paulo" and agreed to speak with me at the USPIS offices located at Eighth Avenue in Manhattan. Prior to speaking with CABRAL at the USPIS offices, CABRAL reviewed and signed a waiver of his Miranda rights (signing the form "Paulo Cabral"). In sum and substance and in part, CABRAL stated as follows:

- a. "Paulo Cabral" provided biographical information that was consistent with the biographical information contained in the bank account opening documents that I had reviewed prior to the interview.
- b. Asked about the stolen credit card convenience checks, "Paulo Cabral" admitted to depositing certain stolen checks into his checking accounts at Commerce Bank and Washington Mutual from in or about January 2006 to in or about July 2006, and claimed that he gave some portion of the withdrawn funds to a co-conspirator.
- c. "Cabral" acknowledged that the checks in question did not belong to him, but he claimed that he did not know that depositing the checks was illegal, because the practices for depositing checks in Brazil (his home country) differed from the practice of depositing checks in the United States.

5. On or about September 29, 2006, PAULO RICARDO DEBARROS CABRAL, a/k/a "Hans Schmidt," a/k/a "Victor Schmidt," a/k/a "Paulo Barros," the defendant, signed a written consent to search his apartment. Among other things, USPIS agents recovered



bank statements from CABRAL's checking accounts at Commerce Bank and Washington Mutual showing deposits of the stolen credit card convenience checks. In addition, CABRAL's apartment contained copies of the cancelled stolen credit card convenience checks that had been returned by Commerce Bank and Washington Mutual. We also recovered multiple identification documents for CABRAL that appeared to contain false personal information, such as social security and resident alien numbers, as well as copies of personal identification documents belonging to people other than CABRAL, such as driver's licenses and credit cards.

6. I know from my training and experience and from this investigation that the deposits under the custody and control of both Commerce Bank and Washington Mutual are insured by the Federal Deposit Insurance Corporation.

WHEREFORE, deponent prays that PAULO RICARDO DEBARROS CABRAL, a/k/a "Hans Schmidt," a/k/a "Victor Schmidt," a/k/a "Paulo Barros," the defendant, be imprisoned or bailed as the case may be.

OCT 13 2006

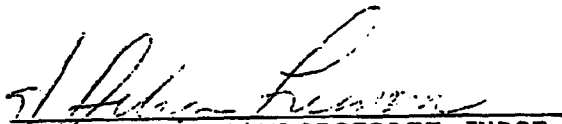


CLAUDEL L. CHERY

Postal Inspector

United States Secret Service

Sworn to before me this  
\_\_th day of October, 2006.



UNITED STATES MAGISTRATE JUDGE  
SOUTHERN DISTRICT OF NEW YORK

Debra Freeman  
United States Magistrate Judge  
Southern District of New York